

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 12 — December 1988

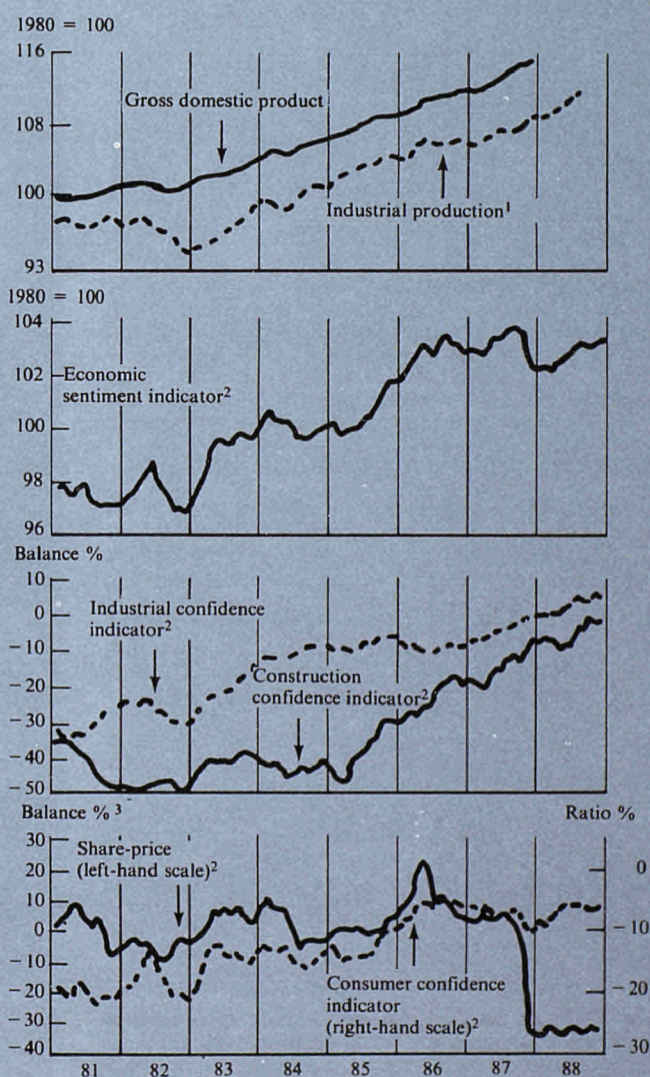
In this number:
International indicators

Business and consumer survey results

THE MAIN POINTS IN BRIEF

- Economic growth in the Community is continuing unabated and at present there are no signs of the pace of growth slackening. This is signalled by the economic sentiment indicators available to November.
- The Community leading economic sentiment indicator continued on its upward path in November, helped by industrialists' optimism and the renewed improvement in consumers' confidence in the economy.
- International leading indicators suggest that the upward trend in the world economy will continue. The rise in the indicator for developments in world production in recent months signals continuing vigorous growth of the world economy at the turn of the year. The leading indicator for the United States is still pointing upward, even though it is somewhat sluggish, the rise in the indicator for Japan is above the long-term average and the indicators for Australia and Taiwan point to continuing vigorous growth.
- The most recent results of the worldwide survey of managers of multinational companies confirm the favourable situation in the world economy. For the first time in a fairly long period, the experts questioned once again expect economic growth rates to average over 3 % a year in the next three to five years in the countries considered.

GRAPH 1: Indicators of output and economic sentiment—European Community

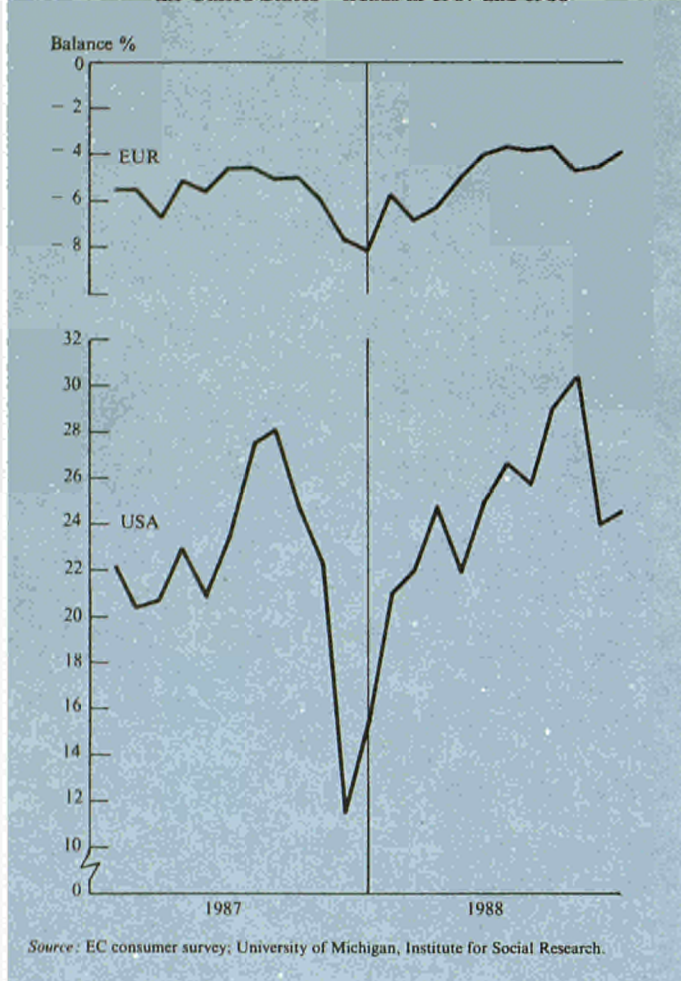


¹ Three-month moving average.

² See notes to Table 8.

³ Deviations from trend in %.

GRAPH 2: Consumer confidence indicator in the Community and the United States—trends in 1987 and 1988



Economic momentum in the Community continues unabated. — Economic growth in the Community is continuing unabated and at present there are no signs of the pace of growth slackening. This is signalled by the economic sentiment indicators available to November. The Community leading economic sentiment indicator continued on its upward path in November, helped by industrialists' optimism and the renewed improvement in consumer confidence in the economy.

International leading indicators suggest that the upward trend in the world economy will continue. — In keeping with the most recent upward movement of the Community leading indicator, the leading indicator for development in world production, compiled from the figures now available (*), signals that the upward trend is continuing and that no sign of a break in this trend is to be expected. The United States leading indicator is still trending upward, even though it is somewhat sluggish, while the rise in the indicator for Japan is still above the long-term average. But in particular the indicators for Australia and Taiwan point to continuing vigorous growth. In order to arrive at a more comprehensive picture of the world economic situation, the results of the IFO Institute's Economic Survey International (ESI) (see graph 4) have also been drawn upon.

On the basis of trial calculations it has been confirmed that this experimental indicator for the trends in the world economy provides quite an accurate picture of the world economy's growth rate some six months ahead. The indicator's rise in recent months signals the world economy's continuing vigorous growth at the turn of the year (see graph 3, last curve).

The results of the IFO Institute's Economic Survey International (ESI) indicate optimism concerning the world economic situation. — As persons being in positions of authority, managers of multina-

tional companies are likely to have access to the most important economic information in the various countries and on the basis of their professional experience they can also interpret it correctly. The most recent results of the world-wide survey among such managers confirm the favourable situation in the world economy. For the first time in a fairly long period the experts surveyed once again actually expect economic growth rates to average over 3% a year in the next three to five years in the countries considered.

Average expected growth rates of real gross domestic product over the next three to five years — % —

Region;	Reporting period:	Sept. 1985	Sept. 1986	Sept. 1987	Sept. 1988
Industrialized countries		2,6	2,5	2,4	2,8
Newly industrializing countries		1,8	3,1	3,2	3,9
Developing countries		4,3	3,1	3,0	5,9
All countries		2,5	2,6	2,5	3,1

Source: IFO Institute's ESI-Economic Survey International

In the experts' view, *short-term interest* rates will go on rising in the next few months, particularly in the industrialized and developing countries. The upsurge in prices will also continue but will generally not intensify.

Experts who at first in the past considered the *dollar* to be overvalued, and then, since mid-1986 have felt it to be undervalued, now take the view that it stands at approximately the correct level.

Evaluation(*) of major currencies — Average of all countries covered

Reporting period	\$ US	DM	UKL	Yen
Sept. 1982	6,7	3,4	5,6	3,2
Sept. 1983	6,7	3,3	5,0	3,4
Sept. 1984	7,7	2,8	4,6	3,6
Sept. 1985	7,4	3,5	5,4	3,8
Sept. 1986	4,5	5,1	4,8	5,4
Sept. 1987	3,9	4,8	5,1	5,2
Sept. 1988	4,9	4,4	5,5	4,8

(*) 9 = overvalued, 5 = correctly valued, 1 = undervalued

Source: IFO Institute's ESI-Economic Survey International

Participants in the survey felt that the *sterling* exchange rate was slightly too high, while the *yen* and the *German mark* were anything somewhat undervalued.

Confidence in the future can also be seen in the fact that taking the average of all the 46 countries covered by ESI in September the *investment climate* was considered to be somewhat more favourable than in the previous survey in June.

The increase in consumer confidence and the improved sentiment in the construction industry have had a favourable effect on the Community leading indicator. Industrial confidence remained stable. — Taking the average for the Community in November, the *industrial confidence indicator* showed no change on October after its continuous rise in earlier months. Here the main contributory factor was the stability of industrialists' judgments in most Community countries as regards their order-books and stock levels. The United Kingdom is the only country where on balance assessment of order-book and stock levels were distinctly more pessimistic in November than they had been in October.

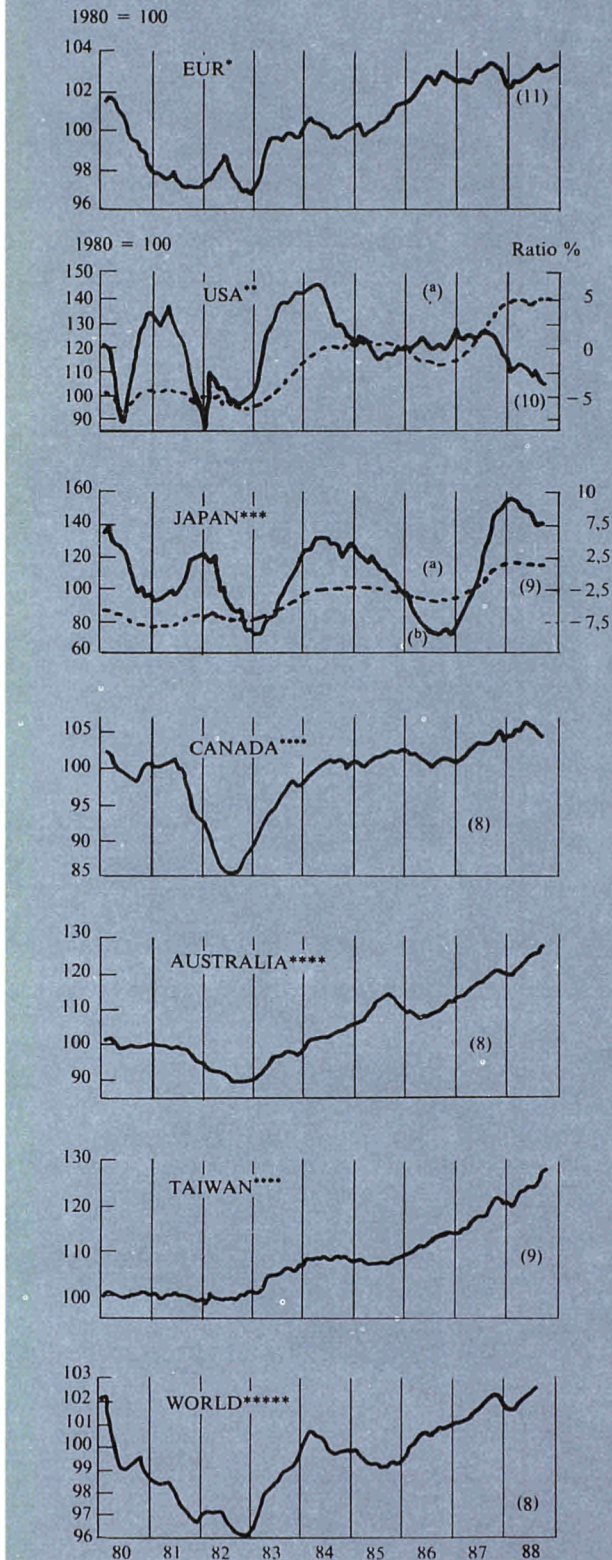
Taking the average for the Community, *production expectations* in the next few months showed no change on October's high level.

In all the Community countries industrialists are, on balance, still planning to expand their production activity in the coming month. Taking the average for the Community, *confidence in the construction industry* has gone on strengthening and the indicator has reached the level it was at during the 1979/80 upswing. The main contributory factor was the positive trend in Italy and the Netherlands.

After falling in the last two months, the *consumer confidence indicator* in the Community in November returned to August's high level, mainly as a result of European households' optimism concerning their financial situation in the next twelve months and consumers' positive appraisal of the present general economic situation. The mood of confidence which has prevailed since the beginning

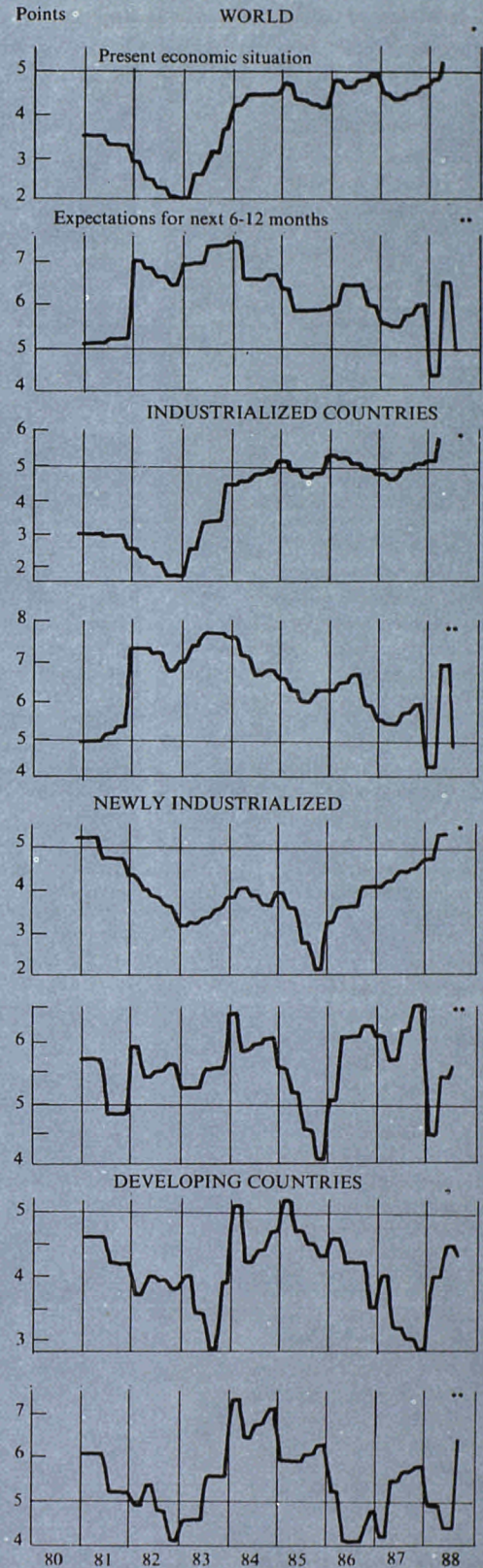
(*) For technical details see graph footnotes

GRAPH 3: International leading indicators



) Index 1980 = 100 (left-hand scale).
) Deviation from trend in % (right-hand scale).
 arabic number indicates last month for which data are available (11 November).
 sources: * Commission of the European Communities; ** US Department of Commerce;
 *** Economic Planning Agency of the Japanese Government; **** Columbia
 University, New York; ***** Components of the composite leading world indicator
 are the 6 regional leading indicators presented in Graph 3 and the 4 series
 of the Economic Survey International for newly industrialized and developing
 countries (see Graph 4).

GRAPH 4: Economic survey international



The Economic Survey International has been conducted by the Ifo-Institute 3 times per year (February, June, September) and is based on the answers of about 500 economic experts in about 50 countries. The replies are 'graded': positive responses (+) receive a grade of 9, indifferent ones (=) a grade of 5 and negative ones (-) a grade of 1. Grades between 5 and 9 imply a preponderance of positive replies or increases, while grades between 5 and 1 indicate that negative replies or decreases predominated.

Source: Ifo-Institute for Economic Research, Munich.

988 is discernible in most of the member countries except the United Kingdom, Denmark and Portugal, where consumers are beginning to be pessimistic, and in Spain where there has been a recent reversal of the trend which up until August had been positive.

However, seasonal influences could also have been a factor here (see graph 11).

15 December 1988

TABLE 1: Indicators of output and economic sentiment

		Range (b)				1987	1988			1988						
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	June	July	Aug.	Sept.	Oct.	Nov.	
B	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	102,5	76,5	106,3	92,4	106,8	111,3	110,7	:	111,4	117,3	:	:	:	:	
	1. industrial confidence indicator	19	-56	-4	-35	-14	-10	-3	-3	-2	-4	-3	-2	-2	-3	
	2. construction confidence indicator	9	-36	-7	-65	-32	-19	-17	-14	-15	-16	-18	-9	-8	-10	
	3. consumer confidence indicator (c)	7	-18	-7	-31	-12	-9	-7	-5	-6	-6	-5	-5	-4	-3	
	4. share-price index (c)	155,1	98,0	114,3	75,0	318,2	294,3	310,4	315,8	317,9	309,2	309,4	328,9	341,7	343,8	
	= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,8	102,2	102,9	103,1	103,2	102,9	103,0	103,5	103,7	103,7	
DK	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	:	:	107,7	95,5	121,9	123,8	125,8	102,8	131,2	116,5	123,9	122,1	:	:	
	1. industrial confidence indicator	:	:	:	-22	-7	-3	0	-1	(0)	-1	(-1)	(-1)	-1	(-1)	
	2. construction confidence indicator	:	:	:	-37	1	2	-9	-18	(-9)	-18	(-18)	(-18)	-15	(-15)	
	3. consumer confidence indicator (c)	:	-16	5	-22	-10	-16	-12	-16	-12	-12	-16	-20	-16	-18	
	4. share-price index (c)	:	:	:	:	351,8	329,0	377,1	410,4	402,7	406,8	398,4	426,1	449,2	462,0	
	= 5. economic sentiment indicator	:	:	:	:	101,9	102,0	102,4	102,3	102,5	102,4	102,1	102,3	102,7	102,8	
D	<i>gross domestic product</i> 1980 = 100	85,1	83,3	101,2	98,9	110,8	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	92,0	82,4	103,1	91,4	106,9	108,7	109,8	111,8	112,0	108,1	115,2	112,0	:	:	
	1. industrial confidence indicator	10	-49	2	-40	-12	-10	-5	-1	-4	-1	-1	0	1	1	
	2. construction confidence indicator	-4	-72	11	-64	-30	-32	-31	-28	-32	-30	-28	-25	-25	-24	
	3. consumer confidence indicator (c)	:	-22	9	-31	-1	-8	-6	-4	-5	-6	-4	-3	0	0	
	4. share-price index (c)	109,0	75,2	115,6	97,6	257,5	197,1	208,3	224,7	213,8	221,9	222,0	230,1	240,4	240,0	
	= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	100,6	98,9	99,5	100,2	99,7	99,9	100,2	100,5	101,0	101,0	
F	<i>gross domestic product</i> 1980 = 100	85,4	84,2	99,8	102,4	112,1	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	96,7	82,2	105,2	94,8	103,7	106,1	107,3	110,1	109,0	110,0	110,0	110,2	:	:	
	1. industrial confidence indicator	29	-49	5	-39	-8	-1	1	6	2	6	6	5	10	8	
	2. construction confidence indicator	:	:	-17	-57	-16	-7	-8	2	(-8)	2	(2)	(2)	-1	(-1)	
	3. consumer confidence indicator (c)	:	-9	3	-27	-18	-12	-11	-10	-10	-10	-10	-10	-11	-10	
	4. share-price index (c)	86,6	53,6	101,2	82,7	367,1	269,0	299,6	330,9	323,1	331,7	325,5	335,4	353,2	362,8	
	= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	99,1	99,8	100,2	101,0	100,6	101,0	101,1	101,0	101,1	101,1	
IRL	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	80,4	72,3	103,8	99,6	145,3	157,5	158,7	:	164,3	158,0	159,0	:	:	:	
	1. industrial confidence indicator	:	-41	20	-40	-2	-6	2	7	5	6	6	9	10	4	
	2. construction confidence indicator	:	:	:	-60	-31	-14	-26	7	(-26)	7	(7)	(7)	14	(14)	
	3. consumer confidence indicator (c)	:	-41	12	-44	-29	-22	-15	-15	-17	-15	-16	-15	-16	-12	
	4. share-price index (c)	85,8	29,9	112,2	79,4	333,9	282,0	318,1	361,9	342,6	360,5	369,4	355,9	386,6	:	
	= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,6	101,0	101,9	102,5	102,0	102,5	102,5	102,6	102,7	103,1	
I	<i>gross domestic product</i> 1980 = 100	80,4	77,2	101,2	98,2	115,3	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	87,9	72,6	104,7	98,1	102,3	106,5	106,7	109,7	105,8	108,8	110,3	108,9	:	:	
	1. industrial confidence indicator	31	-59	13	-41	-2	1	3	6	6	7	6	6	10	13	
	2. construction confidence indicator	-8	-56	-5	-51	-15	-13	-20	-8	-16	-2	-18	-5	-15	-7	
	3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-6	-5	-4	-4	-4	-4	-4	-4	-1	
	4. share-price index (c)	169,6	68,5	185,0	116,9	644,5	481,3	506,6	545,7	507,7	535,5	550,5	551,1	599,2	609,2	
	= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,2	102,1	102,3	102,7	102,6	102,9	102,5	102,7	102,8	103,4	
NL	<i>gross domestic product</i> 1980 = 100	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	94,8	87,1	117,5	90,7	107,3	105,7	104,7	109,7	107,0	112,0	107,0	110,0	:	:	
	1. industrial confidence indicator	12	-44	4	-31	-5	-5	-2	-1	-2	-2	0	-1	-1	-1	
	2. construction confidence indicator	3	-47	3	-46	-2	-4	-2	5	-1	2	5	9	6	7	
	3. consumer confidence indicator (c)	6	-15	5	-37	-2	-2	-1	3	-2	1	5	2	2	3	
	4. share-price index (c)	:	86,3	122,8	92,8	350,0	290,3	305,7	337,5	319,4	333,3	342,9	336,4	349,7	344,3	
	= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	104,9	103,6	104,1	105,1	104,0	104,6	105,5	105,1	105,0	105,1	
UK	<i>gross domestic product</i> 1980 = 100	94,6	91,0	102,5	97,7	117,3	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	92,7	89,6	110,0	93,8	114,8	116,9	118,5	119,7	119,1	119,5	120,1	119,5	:	:	
	1. industrial confidence indicator	:	:	9	-60	11	19	16	18	15	18	18	18	15	12	
	2. construction confidence indicator	:	:	7	-62	12	29	27	30	(27)	30	(30)	(30)	32	(32)	
	3. consumer confidence indicator (c)	:	-33	14	-26	5	5	7	2	9	7	2	-2	-5	-4	
	4. share-price index (c)	78,5	23,3	111,6	104,4	397,0	350,3	357,6	364,1	365,0	375,3	365,7	351,2	364,6	362,8	
	= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	105,8	106,2	106,1	106,0	106,2	106,3	106,0	105,6	105,4	105,3	
EUR	<i>gross domestic product (a)(b)</i> 1980 = 100	85,1	85,5	101,1	101,0	113,7	:	:	:	:	:	:	:	:	:	
	<i>index of industrial production</i>	92,9	83,0	103,2	94,6	107,3	109,8	110,8	112,4	112,2	111,3	112,1	113,8	:	:	
	1. industrial confidence indicator	16	-49	3	-36	-3	0	2	4	3	5	4	4	6	6	
	2. construction confidence indicator	:	:	-1	-50	-14	-7	-8	-2	(-8)	-3	(-3)	(-1)	-2	(-1)	
	3. consumer confidence indicator (c)	5	-17	1	-22	-6	-6	-4	-4	-4	-4	-4	-5	-5	-4	
	4. share-price index (c)	:	47,0	115,4	111,7	364,4	302,4	318,1	335,2	328,6	338,1	334,2	333,3	348,9	350,5	
	= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	103,5	103,0	103,5	104,0	103,7	104,2	104,0	103,9	104,1	104,2	

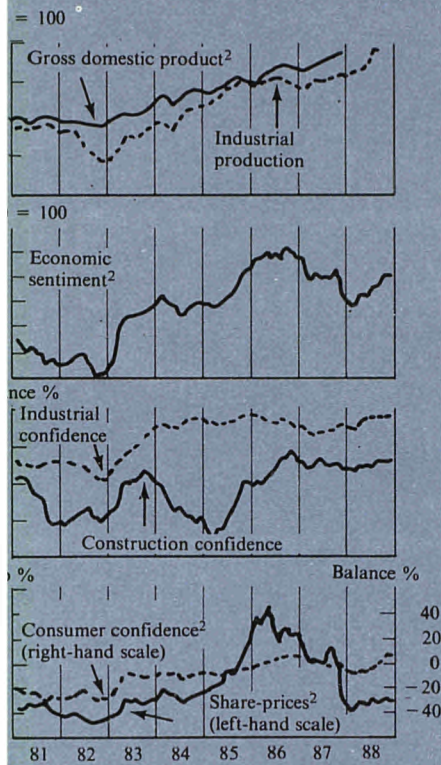
(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

(b) For the Federal Republic of Germany, gross national product for quarterly data.

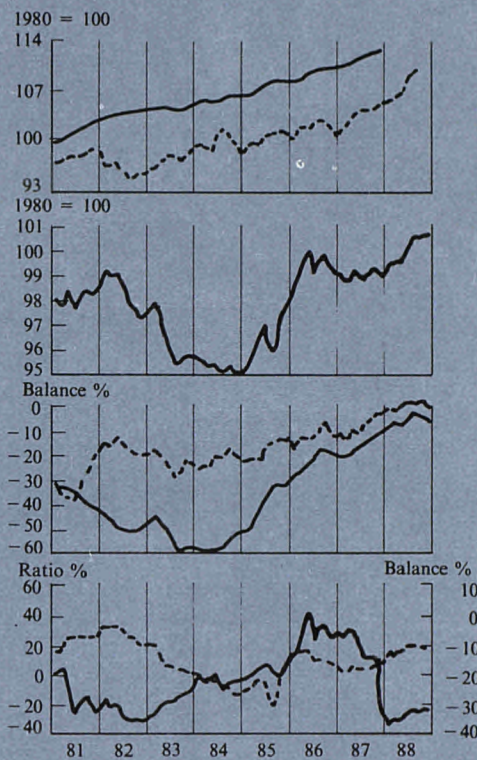
(c) Not seasonally adjusted.

APH 5-10: Indicators of output and economic sentiment

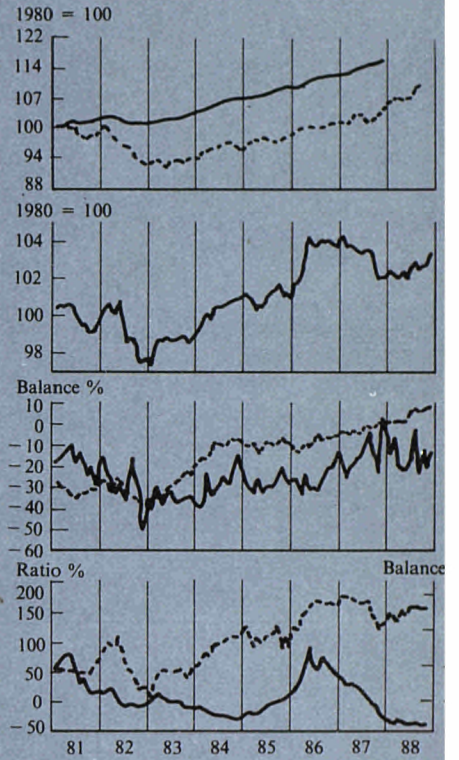
APH 5: Federal Republic of Germany



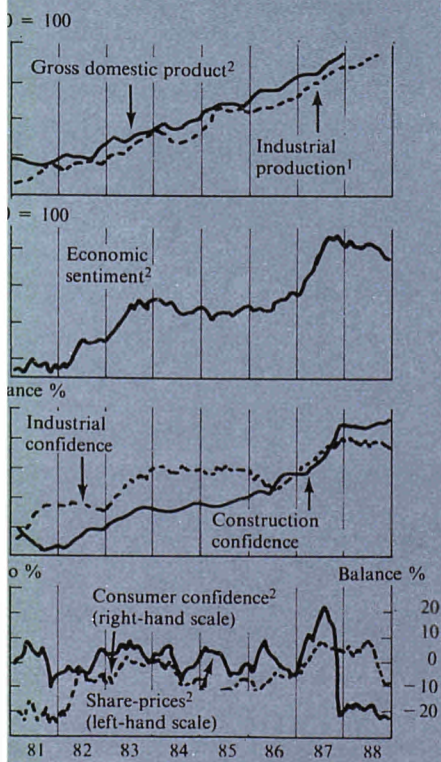
GRAPH 6: France



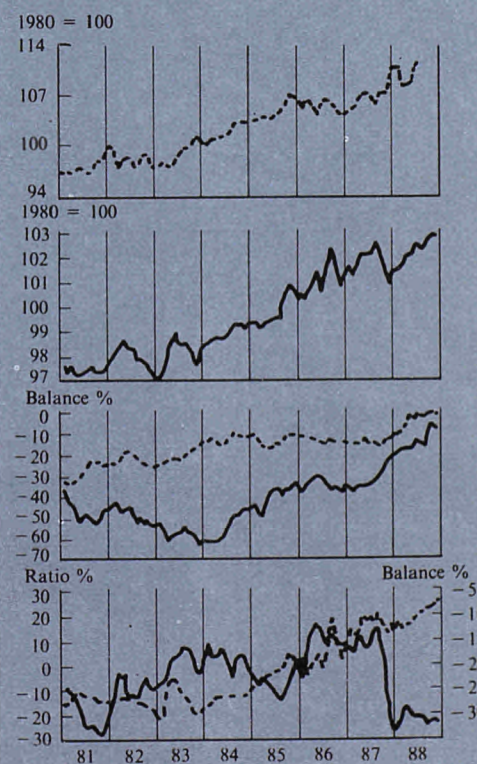
GRAPH 7: Italy



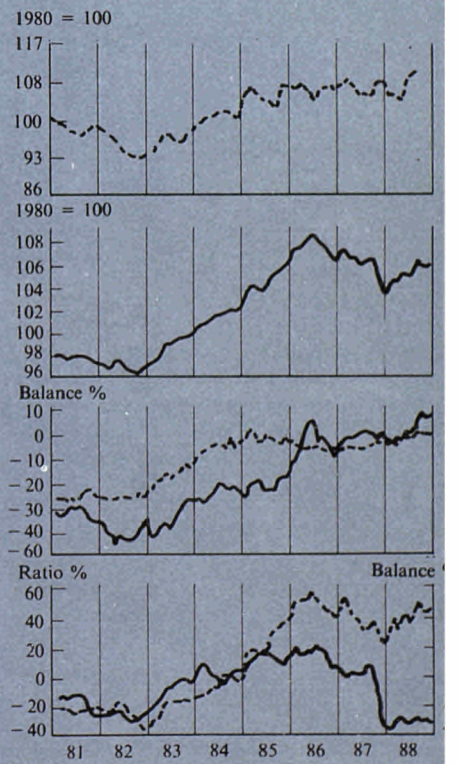
GRAPH 8: United Kingdom



GRAPH 9: Belgium



GRAPH 10: Netherlands



For explanations, see Graph 8.

For explanations, see Graph 8.

TABLE 2: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

Balances, net differences between the percentages of respondents giving positive and negative answers																
		Range (b)				1987	1988			1988						
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		I	II	III	June	July	Aug.	Sept.	Oct.	Nov.	
INDUSTRIAL CONFIDENCE INDICATOR	B	19	-56	-4	-35	-14	-10	-3	-3	-2	-4	-3	-2	-2	-3	
	DK	:	:	:	-22	-7	-3	0	-1	:	-1	:	:	-1	:	
	D	10	-49	2	-40	-12	-10	-5	-1	-4	-1	-1	0	1	1	
	GR	:	:	:	:	-6	-5	-2	1	1	2	1	-1	5	3	
	E	:	:	:	:	-5	-5	-2	-5	-2	-2	-4	-8	-1	-1	
	F	29	-49	5	-39	-8	-1	1	6	2	6	6	5	10	8	
	IRL	:	-41	20	-40	-2	-6	2	7	5	6	6	9	10	4	
	I	31	-59	13	-41	-2	1	3	6	6	7	6	6	10	13	
	L	:	:	16	-65	-18	1	5	5	7	8	5	3	7	4	
	NL	12	-44	4	-31	-5	-5	-2	-1	-2	-2	0	-1	-1	-1	
	P	:	:	11	-25	9	0	1	-2	1	-5	0	0	3	2	
UK	:	:	9	-60	11	19	16	18	15	18	18	18	15	12		
EUR	16	-49	3	-36	-3	0	2	4	3	5	4	4	6	6		
PRODUCTION EXPECTATIONS	B	31	-56	-4	-37	-8	-7	2	8	7	8	7	8	8	3	
	DK	:	:	:	8	4	1	3	2	:	2	:	:	6	:	
	D	17	-32	10	-30	-1	-1	5	7	6	8	6	6	8	9	
	GR	:	:	:	:	16	22	21	16	21	19	16	13	29	23	
	E	:	:	18	-20	11	8	11	9	13	11	14	2	13	12	
	F	33	-29	18	-20	4	7	9	13	9	13	13	13	23	18	
	IRL	:	-21	40	-33	9	-3	9	14	10	11	14	18	26	12	
	I	40	-43	24	26	11	11	9	19	16	18	19	19	21	27	
	L	84	-80	40	-66	-13	5	6	6	7	7	5	6	10	9	
	NL	26	-26	20	-13	3	0	3	6	4	5	8	4	2	3	
	P	:	:	30	-13	19	10	15	8	15	5	8	12	22	21	
UK	:	:	29	-52	30	33	30	34	29	33	34	34	29	27		
EUR	24	-30	15	-24	9	9	11	15	13	15	15	14	17	17		
ORDER BOOKS	B	13	-74	-14	-49	-28	-17	-10	-10	-10	-11	-11	-9	-13	-12	
	DK	:	:	:	-34	-15	-10	-1	4	:	4	:	:	-2	:	
	D	5	-73	-6	-59	-23	-20	-15	-9	-14	-11	-9	-6	-4	-4	
	GR	:	:	:	:	-23	-20	-19	-10	-12	-9	-10	-10	-10	-11	
	E	26	-45	:	:	-14	-9	-8	-13	-10	-9	-15	-14	-8	-6	
	F	26	-69	0	-56	-18	-5	1	10	3	10	10	10	12	14	
	IRL	:	-68	18	-55	-11	-12	-4	8	0	5	4	16	6	4	
	I	30	-82	7	-66	-10	-2	-1	3	1	5	3	2	10	9	
	L	:	:	8	-70	-40	-6	4	9	6	7	13	6	12	10	
	NL	7	-48	-5	-42	-14	-11	-8	-6	-8	-8	-6	-3	-2	-4	
	P	:	:	3	-35	4	-5	-6	-8	-6	-10	-5	-8	-5	-8	
UK	:	:	-2	-85	5	21	18	19	16	19	19	18	18	15		
EUR	15	-70	-7	-56	-13	-6	-3	1	-2	1	1	2	5	4		
EXPORT ORDER BOOKS	B	15	-82	-19	-55	-30	-22	-15	-12	-16	-10	-13	-14	-14	-13	
	DK	:	:	:	14	-12	1	5	15	:	15	:	:	7	:	
	D	:	:	-14	-50	-31	-25	-21	-16	-20	-18	-16	-13	-12	-12	
	GR	:	:	:	:	-26	-18	-26	-20	-25	-21	-20	-18	-20	-18	
	E*	:	:	:	:	-28	-29	-22	-24	-24	-20	-25	-27	-22	-19	
	F	24	-66	10	-52	-22	-2	2	13	3	12	13	13	16	20	
	IRL	:	:	:	:	1	17	10	18	9	11	23	21	29	10	
	I	13	-67	-6	-59	-25	-20	-13	-9	-14	-4	-10	-13	-2	-7	
	L	:	:	9	-80	-52	-16	-6	28	1	3	40	41	59	68	
	P	:	:	4	-35	2	-6	-12	-6	-10	-7	-6	-4	-3	-2	
	UK	:	:	-11	-72	1	10	3	6	3	8	4	7	5	-4	
EUR	:	:	-12	-50	-22	-14	-11	-5	-11	-5	-6	-5	-2	-4		
STOCKS OF FINISHED PRODUCTS	B	-14	37	2	18	8	4	2	6	3	8	5	4	2	0	
	DK	:	:	:	24	11	-1	1	8	:	8	:	:	6	:	
	D	-7	43	-2	31	10	7	4	0	4	0	1	0	1	1	
	GR	:	:	:	:	11	18	9	4	7	3	4	5	3	3	
	E	-17	24	15	35	12	12	10	10	9	9	11	11	9	10	
	F	-14	50	3	42	8	6	7	5	6	4	5	7	5	9	
	IRL	:	35	-6	33	5	4	1	2	-4	-2	1	7	3	4	
	I	-24	53	-8	32	7	5	-1	3	-2	2	5	2	0	-2	
	L	-14	74	0	58	0	-4	-5	-1	-7	-9	3	2	2	6	
	NL	-3	57	3	39	4	4	2	3	2	4	3	3	3	1	
	P	:	:	1	26	-5	4	5	5	6	9	3	4	7	6	
UK	:	:	-1	42	2	-2	-1	-2	-1	-1	-2	-2	1	6		
EUR	-10	48	-1	31	7	5	3	3	3	2	3	3	3	4		
SELLING-PRICE EXPECTATIONS	B	64	-10	39	12	5	8	18	21	23	21	21	21	30	21	
	D	55	4	38	4	13	12	18	21	19	22	21	21	20	23	
	GR	:	:	:	:	23	25	24	25	18	25	26	25	20	21	
	E*	:	:	:	:	11	18	9	9	9	9	8	10	8	14	
	F	76	15	62	17	16	13	13	24	11	22	24	25	25	28	
	IRL	:	64	77	20	9	2	9	11	11	13	11	8	12	16	
	I	76	10	87	37	18	18	21	24	24	26	23	22	24	27	
	L	:	-46	74	-38	18	55	50	51	48	62	58	33	58	59	
	P*	:	:	:	:	23	27	21	21	20	22	19	23	21	28	
	UK	:	:	70	7	26	27	26	29	29	28	28	32	33	34	
	EUR	64	9	53	22	18	16	19	24	20	24	23	24	25	27	

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

Note: (s.a.) = seasonally adjusted.

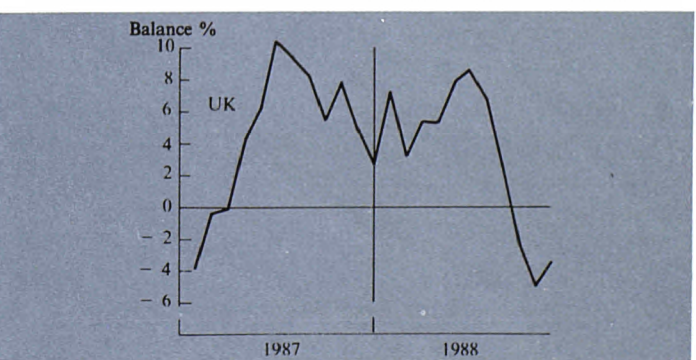
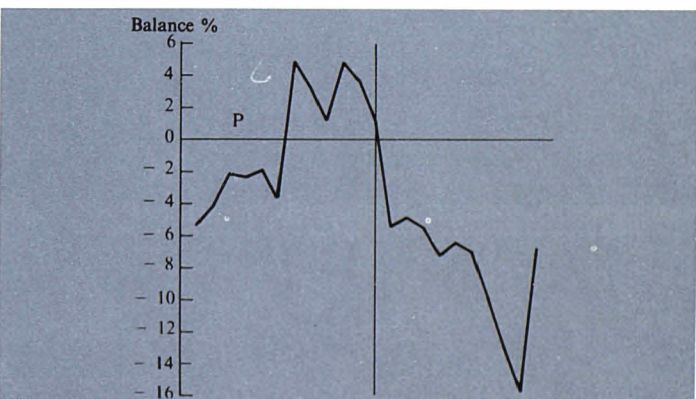
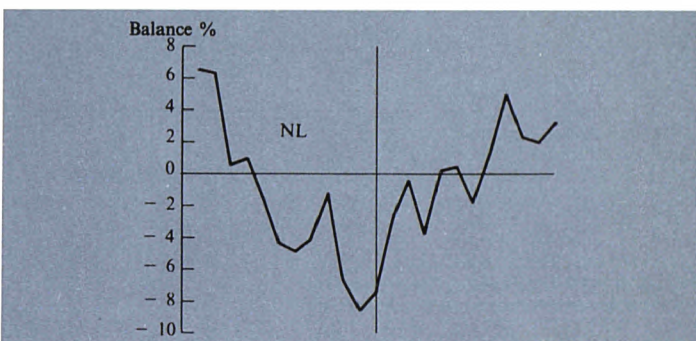
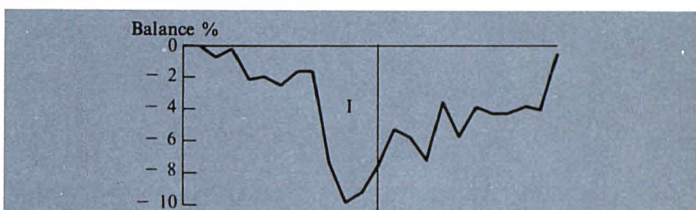
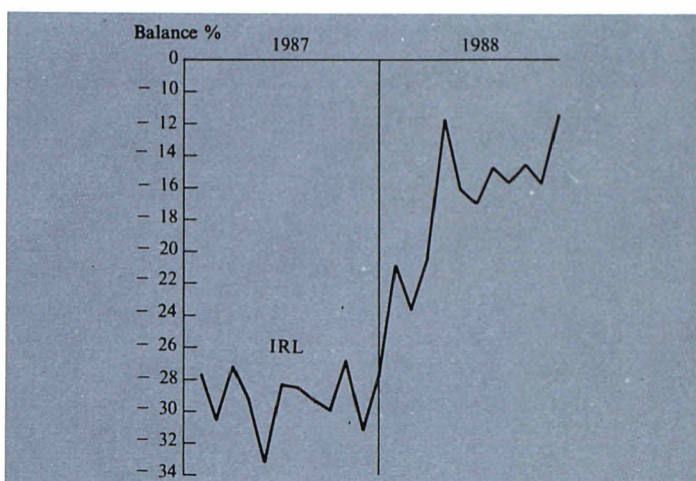
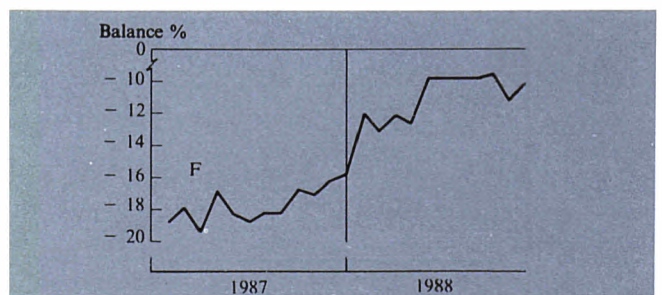
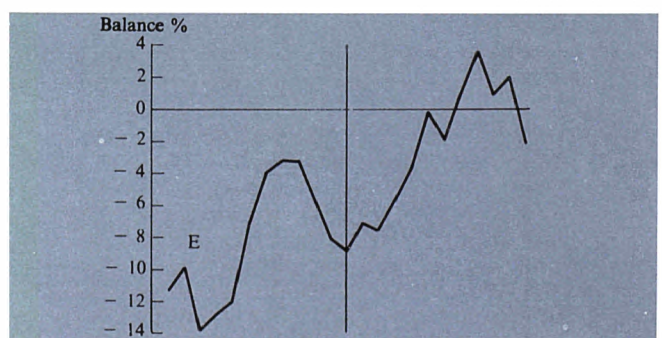
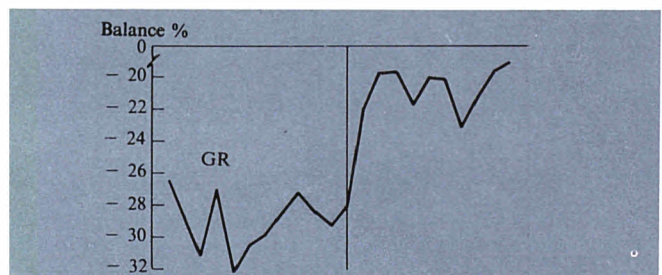
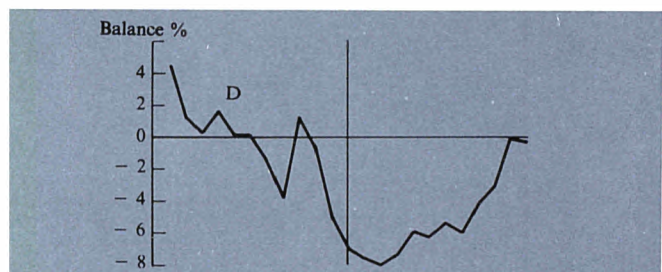
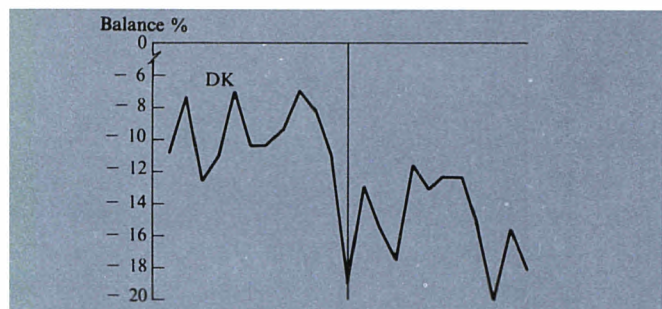
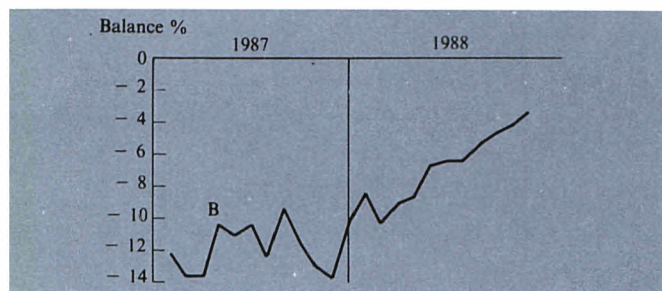
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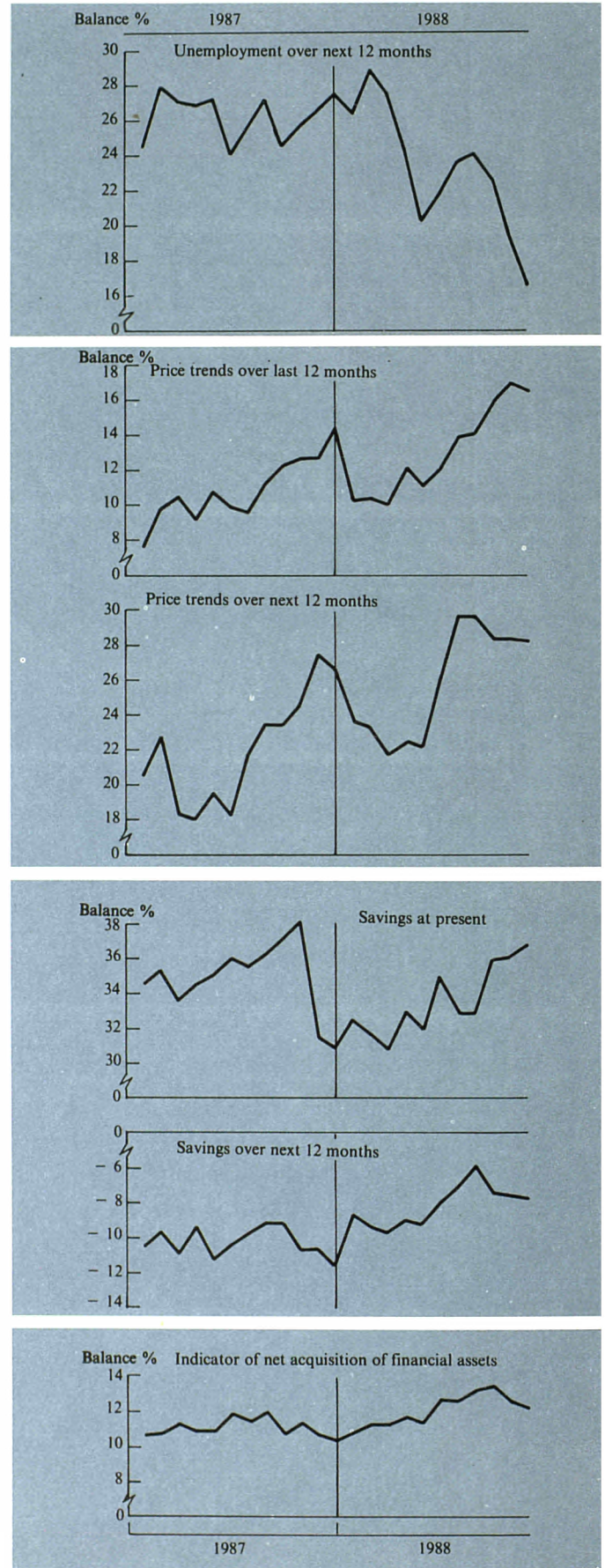
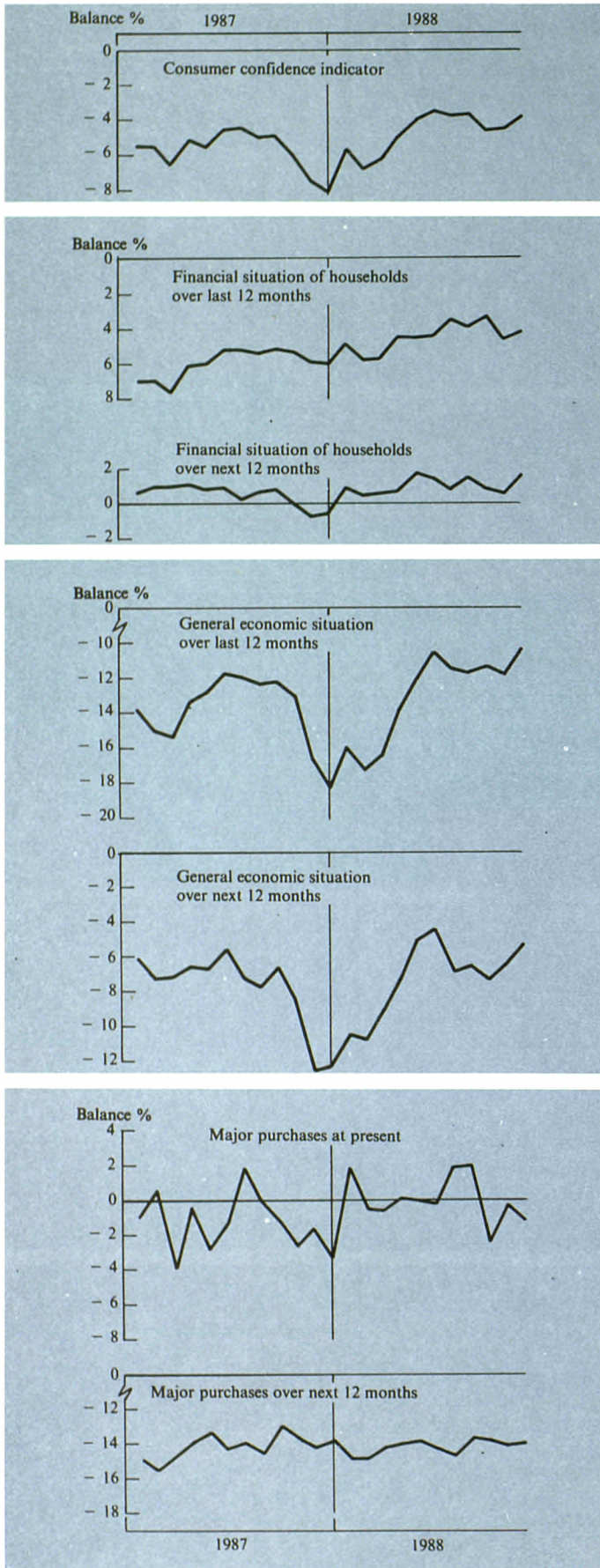
* = figures n.s.a.

Source: European Community business surveys.

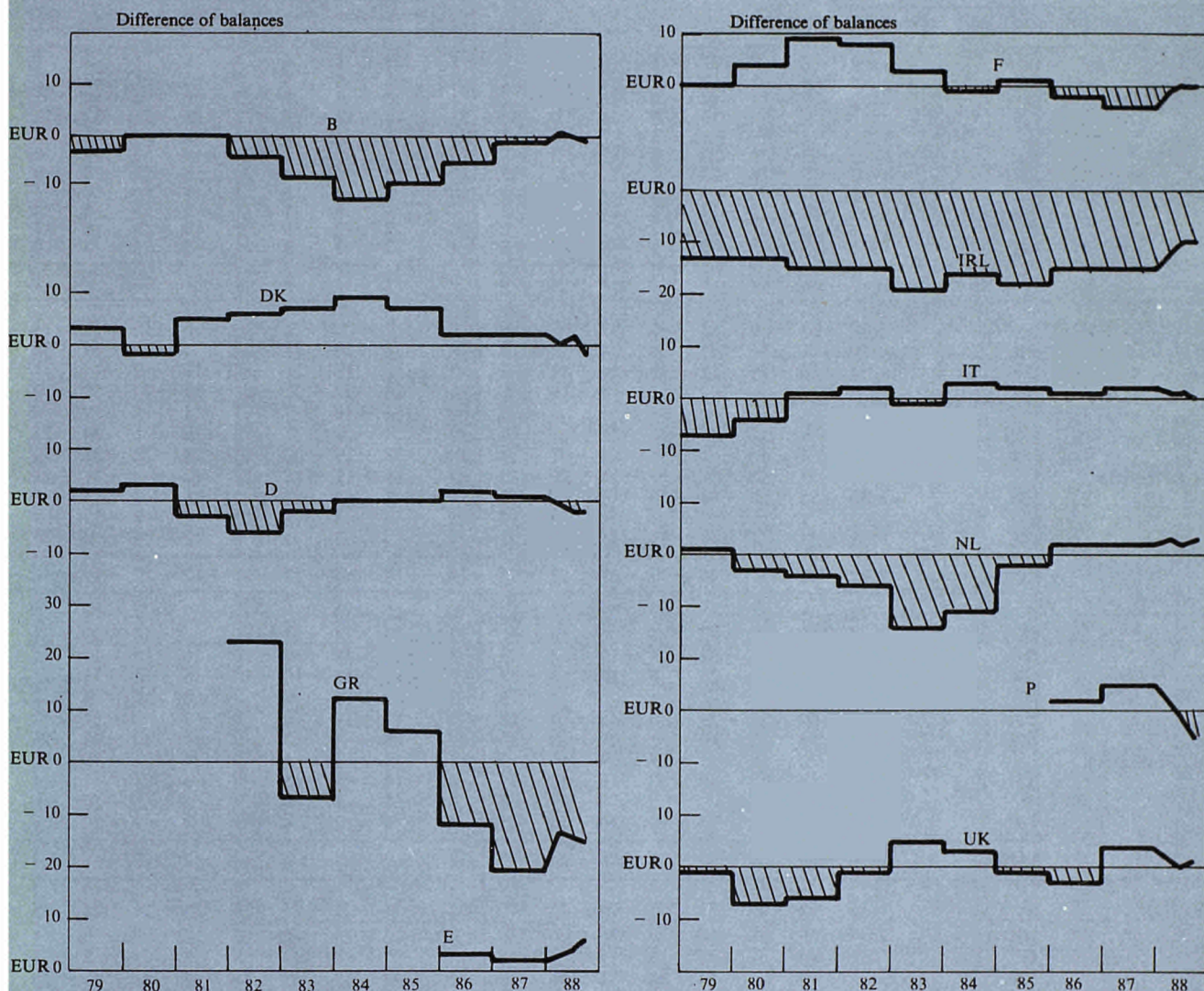
GRAPH 11: Consumer confidence indicator in the Member countries—trends in 1987 and 1988



GRAPH 12: Consumer opinions aggregated at Community level—replies to questions put in 1987 and 1988



GRAPH 13: Consumer assessment of their own financial situation compared to 12 months ago
Deviations of national survey results (balances) from the respective EC average result



Source: European Community consumer survey.

TABLE 3: Consumer opinion on economic and financial conditions(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
CONSUMER CONFIDENCE INDICATOR (b)	B	-10	-20	-27	-27	-28	-27	-21	-17	-12	-9	-9	-7	-6	-6	-5	-5	-4	-3	
	DK	-2	-19	-17	-12	0	6	4	-3	-10	-18	-12	-13	-12	:	-16	-20	-16	-18	
	D	6	-5	-22	-26	-15	-10	-7	3	-1	-7	-6	-6	-5	-6	-4	-3	0	0	
	GR	:	:	:	0	-11	-4	-5	-20	-29	-20	-22	-20	-20	-23	-21	-20	-19	-21	
	E	:	:	:	:	:	:	:	-9	-8	-6	-4	0	-2	1	4	1	2	-2	
	F (d)	-5	-10	-9	-5	-15	-23	-21	-14	-18	-12	-13	-10	-10	-10	:	-10	-11	-10	
	IRL	-10	-22	-28	-34	-39	-33	-29	-28	-29	-20	-12	-16	-17	-15	-16	-15	-16	-12	
	I	-17	-22	-22	-18	-24	-15	-12	-4	-4	-7	-4	-6	-4	-4	:	-4	-4	-1	
	NL	-8	-25	-31	-32	-30	-22	-7	5	-2	-4	0	0	-2	1	5	2	2	3	
	P	:	:	:	:	:	:	:	-7	0	-6	-7	-6	-7	-10	-13	-16	-7	-6	
UK	-4	-18	-21	-12	-3	-4	-10	-7	5	5	5	8	9	7	2	-2	-5	-4		
EUR (c)		-3	-13	-19	-17	-15	-14	-12	-6	-6	-6	-5	-4	-4	-4	-4	-5	-5	-4	
FINANCIAL SATISFACTION OF HOUSEHOLDS	B	-11	-15	-19	-25	-29	-31	-23	-14	-9	-5	-6	-7	-4	-6	-3	-5	-4	-4	
	DK	1	-10	-12	-7	-4	-2	-3	-2	-1	-8	-5	-4	-5	:	-2	-3	-5	-2	
	D	2	-4	-16	-18	-14	-11	-8	1	1	-1	-1	-1	-1	0	0	0	2	0	
	GR	:	:	:	-2	-13	-8	-8	-24	-31	-19	-21	-22	-20	-24	-22	-23	-18	-22	
	E	:	:	:	:	:	:	:	-10	-9	-7	-1	-3	-5	-2	-2	-3	-2	-6	
	F (d)	-4	-7	-8	-7	-11	-15	-13	-11	-14	-12	-10	-9	-10	-9	:	-7	-8	-8	
	IRL	-21	-32	-38	-41	-43	-42	-37	-34	-31	-28	-22	-24	-27	-21	-21	-22	-22	-18	
	I	-13	-14	-14	-13	-15	-12	-10	-6	-4	-5	-3	-6	-3	-3	:	-1	-4	-2	
	NL	1	-9	-18	-20	-28	-26	-17	-3	0	2	3	3	2	2	4	3	1	3	
	P	:	:	:	:	:	:	:	-8	-2	-4	-5	-3	-3	-4	-8	-9	-6	-6	
UK	-11	-24	-30	-27	-15	-15	-16	-13	-5	-5	-5	-3	-4	-1	-5	-5	-11	-6		
EUR (c)		-5	-11	-17	-16	-15	-15	-12	-8	-6	-6	-5	-5	-4	-4	-4	-3	-5	-4	

over last 12 months

TABLE 3 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
FINANCIAL SITUATION OF HOUSEHOLDS (cont.)	B	-3	-6	-9	-12	-15	-18	-13	-5	-1		2	1	1	3	1	1	0	2	1
	DK	3	-8	-4	-2	0	3	3	2	2		-1	4	3	2	:	1	-2	2	-1
	D	2	-3	-12	-14	-9	-6	-4	2	1		0	0	-1	-2	-2	0	0	1	0
	GR	:	:	:	15	0	6	2	-12	-21		-14	-13	-12	-12	-15	-15	-12	-12	-12
	E	:	:	:	:	:	:	:	3	2		4	4	8	5	7	10	6	5	3
	F (d)	0	-2	0	0	-4	-7	-3	-2	-4		0	0	3	2	0	:	1	0	2
	IRL	-13	-19	-24	-23	-26	-22	-22	-15	-15		-13	-6	-10	-10	-8	-11	-8	-9	-7
	I	-7	-10	-8	-6	-8	-3	-2	1	2		0	3	1	3	1	:	2	1	3
	NL	1	-9	-13	-14	-21	-17	-6	2	2		1	6	4	1	3	5	5	3	6
	P	:	:	:	:	:	:	:	2	5		2	-2	1	1	0	-4	-6	-1	-3
	UK	-1	-13	-15	-9	-2	-3	-5	-3	4		2	-2	2	4	3	3	1	-2	4
EUR (c)		0	-6	-9	-8	-7	-6	-4	0	0		1	1	2	1	1	2	1	1	2
GENERAL ECONOMIC SITUATION	B	-44	-58	-69	-68	-62	-57	-33	-29	-20		-22	-23	-18	-16	-15	-16	-13	-13	-11
	DK	-34	-56	-47	-42	-4	4	2	-10	-22		-30	-29	-24	-26	:	-29	-37	-34	-34
	D	3	-18	-46	-51	-29	-14	-11	7	-2		-17	-13	-11	-8	-11	-9	-4	-1	0
	GR	:	:	:	-2	-11	-4	-10	-28	-34		-20	-22	-21	-20	-23	-22	-21	-20	-24
	E	:	:	:	:	:	:	:	-15	-18		-13	-10	-7	-7	-4	-5	-7	-8	-9
	F (d)	-27	-39	-37	-28	-41	-54	-52	-34	-39		-31	-32	-27	-28	-26	:	-24	-27	-26
	IRL	-35	-56	-66	-74	-77	-65	-61	-58	-58		-38	-29	-32	-30	-28	-26	-28	-30	-18
	I	-43	-57	-60	-51	-57	-36	-26	-10	-7		-16	-11	-15	-12	-12	:	-11	-11	-4
	NL	-30	-55	-64	-64	-54	-19	8	18	-1		-8	-4	-2	-5	-1	8	4	9	10
	P	:	:	:	:	:	:	:	-5	5		-4	-3	-3	-2	-4	-8	-13	-4	-7
	UK	-33	-55	-62	-40	-23	-25	-37	-29	-4		-1	3	4	7	2	-3	-8	-13	-16
EUR (c)		-22	-41	-51	-44	-37	-31	-28	-15	-14		-17	-14	-12	-11	-12	-12	-11	-12	-10
— over next 12 months	B	-29	-45	-51	-43	-38	-33	-17	-12	-9		-11	-10	-9	-7	-7	-7	-4	-1	0
	DK	-24	-42	-29	-23	3	6	4	-7	-15		-23	-21	-12	-18	:	-21	-26	-25	-27
	D	1	-19	-33	-32	-14	-10	-6	3	-8		-17	-14	-14	-12	-16	-12	-11	-5	-5
	GR	:	:	:	25	6	10	3	-13	-22		-11	-13	-13	-12	-16	-16	-13	-13	-14
	E	:	:	:	:	:	:	:	3	-2		1	3	4	7	6	6	4	2	-2
	F (d)	-29	-40	-27	-23	-36	-45	-34	-18	-24		-13	-14	-6	-8	-9	:	-11	-13	-10
	IRL	-26	-35	-38	-42	-45	-29	-26	-26	-29		-16	-4	-7	-9	-11	-10	-11	-11	-3
	I	-19	-30	-30	-24	-25	-9	-8	3	-2		-6	-1	-4	0	-4	:	-1	-2	5
	NL	-26	-48	-42	-42	-28	-5	10	12	-8		-14	-5	-5	-9	-6	1	-1	4	6
	P	:	:	:	:	:	:	:	5	9		1	-1	0	-2	0	-5	-10	-1	-2
	UK	-16	-24	-23	-10	-5	-10	-16	-14	4		0	-2	4	3	-2	-7	-10	-11	-13
EUR (c)		-16	-30	-30	-24	-21	-18	-14	-5	-8		-9	-7	-5	-4	-7	-7	-7	-7	-5
PRICE TRENDS	B	55	65	69	77	78	78	72	49	32		21	21	23	23	26	26	26	25	26
	DK	39	50	51	48	26	26	26	10	0		3	4	6	4	:	4	6	-1	-2
	D	25	44	52	46	23	15	9	-15	-14		-7	-4	-3	-1	1	1	-2	-1	-1
	GR	:	:	:	15	30	24	26	39	42		28	28	22	26	25	25	22	25	26
	E	:	:	:	:	:	:	:	46	35		26	29	20	20	23	23	35	39	37
	F (d)	70	79	77	62	55	58	44	12	12		1	3	1	5	8	:	9	10	7
	IRL	80	85	87	87	80	71	59	47	35		30	21	30	31	30	28	25	25	27
	I	72	80	79	72	69	55	49	36	29		35	32	35	34	33	:	33	34	31
	NL	43	62	68	63	43	41	22	-2	-19		-18	-10	-13	-10	-14	-15	-9	-6	-8
	P	:	:	:	:	:	:	:	31	30		41	43	42	40	40	48	48	46	47
	UK	48	59	41	31	15	19	24	15	11		11	15	13	13	17	19	24	25	28
EUR (c)		49	63	62	53	40	37	30	13	11		10	12	11	12	14	14	16	17	17
— over next 12 months	B	33	42	40	45	40	37	36	27	19		12	14	17	20	22	24	28	26	25
	DK	29	38	31	31	12	16	15	7	6		8	3	4	6	:	4	5	0	1
	D	44	51	50	43	30	28	25	5	12		19	18	21	26	30	28	22	22	24
	GR	:	:	:	25	37	38	42	44	47		35	37	35	36	36	32	31	33	36
	E	:	:	:	:	:	:	:	19	18		12	16	4	5	11	12	18	20	22
	F (d)	46	50	39	42	37	32	27	19	12		-2	6	-1	11	12	:	8	12	10
	IRL	59	56	52	46	39	35	32	23	25		22	12	17	20	22	22	18	19	21
	I	56	60	58	56	54	46	48	35	42		46	39	46	43	47	:	46	45	39
	NL	48	61	52	50	38	25	17	6	2		6	12	12	12	18	13	22	20	15
	P	:	:	:	:	:	:	:	14	17		22	21	23	24	32	40	39	31	32
	UK	34	43	31	29	27	40	43	32	36		41	43	42	45	52	54	53	51	55
EUR (c)		44	51	44	42	35	35	32	20	22		22	22	22	26	30	30	28	28	28
UNEMPLOYMENT	B	42	57	67	60	57	44	37	33	35		31	28	22	21	22	23	24	16	11
	DK	22	39	37	29	30	5	-4	1	29		34	30	23	30	:	36	43	37	40
	D	3	20	43	43	30	20	16	4	19		33	27	26	22	26	27	25	15	17
	GR	:	:	:	11	10	11	17	31	36		30	27	26	28	28	21	23	21	24
	E	:	:	:	:	:	:	:	26	31		27	26	17	16	17	19	16	14	19
	F (d)	44	47	43	30	41	62	50	33	39		30	31	19	33	36	:	36	31	15
	IRL	12	34	47	56	67	52	48	45	45		42	30	35	33	32	31	33	32	22
	I	41	51	52	56	57	49	47	39	40		46	46	45	43	43	:	39	40	36
	NL	35	59	72	72	67	36	0	-11	8		23	9	7	11	16	14	18	8	8
	P	:	:	:	:	:	:	:	27	15		13	17	10	10	9	15	10	4	3
	UK	30	58	50	34	37	32	35	32	7		1	-4	-5	-8	-6	-6	-9	-3	-1
EUR (c)		27	43	48	42	41	38	32	23	26		28	24	20	22	24	24	23	19	17

TABLE 3 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1988									
												March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
MAJOR PURCHASES	B	30	23	15	13	6	6	-18	-26	-21	-9	-5	0	-7	-5	-2	-2	-4	-3	
	DK	42	21	10	16	7	14	14	0	-15	-27	-6	-27	-15	:	-27	-32	-16	-28	
	D	25	18	-1	-17	-8	-9	-8	4	4	-3	-2	-4	-3	-1	1	0	2	4	
	GR	:	:	:	-35	-35	-24	-20	-22	-36	-34	-39	-32	-36	-39	-31	-30	-32	-32	
	E	:	:	:	:	:	:	:	-27	-14	-14	-13	-4	-11	-1	9	5	13	3	
	F (d)	35	39	28	30	19	6	-4	-3	-8	-5	-7	-9	-6	-6	:	-7	-8	-9	
	IRL	46	30	24	13	-6	-9	-2	-10	-11	-8	3	-9	-9	-6	-11	-5	-7	-12	
	I	-3	2	4	1	-13	-15	-15	-8	-8	-7	-6	-6	-9	-4	:	-8	-4	-5	
	NL	13	-2	-17	-21	-18	-44	-29	-6	-3	0	2	3	1	9	7	1	-6	-9	
	P	:	:	:	:	:	:	:	-28	-17	-22	-25	-27	-29	-42	-40	-41	-21	-12	
	UK	43	28	26	25	32	31	24	24	24	31	32	33	33	31	24	10	11	14	
	EUR (c)	27	22	12	6	5	0	-3	0	-1	-1	0	0	0	2	2	-2	0	-1	
at present	B	-29	-26	-28	-28	-30	-28	-30	-28	-20	-15	-18	-17	-13	-19	-18	-12	-18	-16	
	DK	-8	-14	-12	-10	-8	-7	-8	-12	-11	-13	-9	-11	-13	:	-16	-15	-11	-12	
	D	-15	-19	-25	-28	-29	-28	-26	-20	-20	-21	-20	-21	-21	-23	-20	-18	-19	-20	
	GR	:	:	:	-24	-33	-38	-33	-42	-45	-51	-50	-39	-39	-43	-39	-32	-30	-30	
	E	:	:	:	:	:	:	:	-26	-23	-20	-21	-22	-25	-25	-18	-19	-25	-21	
	F (d)	-16	-18	-13	-9	-10	-10	-9	-3	0	0	0	-1	0	0	:	0	0	0	
	IRL	-17	-19	-22	-27	-31	-25	-22	-20	-19	-17	-16	-12	-12	-11	-11	-8	-14	-12	
	I	-10	-17	-18	-22	-22	-21	-21	-21	-21	-21	-20	-22	-23	-22	:	-20	-20	-24	
	NL	-19	-23	-27	-27	-29	-27	-20	-15	-12	-10	-11	-12	-13	-11	-14	-14	-13	-9	
	P	:	:	:	:	:	:	:	6	5	-2	2	-3	-9	2	2	0	4	10	
	UK	-6	-14	-19	-18	-15	-12	-14	-12	-10	-10	-12	-6	-6	-8	-9	-14	-12	-11	
	EUR (c)	-12	-17	-20	-20	-21	-19	-18	-16	-14	-14	-14	-14	-14	-15	-14	-14	-14	-14	
SAVINGS	B	40	38	41	40	46	46	46	43	52	55	59	57	56	56	59	59	56	59	
	DK	11	15	23	26	40	41	50	46	50	42	52	45	47	:	43	48	55	49	
	D	46	43	32	27	33	38	41	44	43	29	33	32	38	34	30	38	39	37	
	GR	:	:	:	-25	-29	-20	-18	-31	-40	-44	-41	-35	-41	-38	-32	-32	-34	-28	
	E	:	:	:	:	:	:	:	36	43	40	41	46	43	40	47	44	44	43	
	F (d)	8	-3	-2	-5	0	6	11	12	20	23	22	23	27	24	:	26	27	28	
	IRL	8	5	-3	-9	-3	-8	-1	-3	-7	-5	0	-3	4	5	8	5	-7	10	
	I	4	-6	-7	10	21	33	37	47	49	45	50	46	50	46	:	48	47	55	
	NL	19	19	27	38	35	34	41	48	50	50	50	55	50	53	55	58	57	58	
	P	:	:	:	:	:	:	:	-42	-27	-39	-41	-32	-39	-43	-45	-51	-42	-37	
	UK	-5	6	5	5	10	17	20	23	31	29	29	23	29	31	30	34	33	32	
	EUR (c)	21	15	12	12	19	24	29	31	35	31	33	32	35	33	33	36	36	37	
at present	B	-14	-20	-21	-25	-26	-27	-33	-9	-3	5	3	4	0	6	-1	1	-4	5	
	DK	-12	-20	-19	-18	-12	-11	-7	-6	-5	-6	-4	-7	-9	:	-8	-3	-7	-11	
	D	46	44	23	-2	1	3	3	11	13	10	14	9	11	12	15	14	16	14	
	GR	:	:	:	-37	-41	-39	-40	-47	-57	-47	-47	-46	-47	-50	-45	-47	-49	-46	
	E	:	:	:	:	:	:	:	-36	-35	-36	-34	-26	-33	-32	-25	-35	-34	-38	
	F (d)	-29	-32	-32	-32	-35	-37	-36	-31	-34	-29	-31	-29	-28	-28	:	-28	-29	-29	
	IRL	-11	-13	-19	-22	-25	-37	-28	-30	-31	-31	-27	-24	-18	-25	-25	-28	-31	-19	
	I	-34	-32	-30	-22	-27	-20	-17	-10	-6	-7	-4	-7	1	-1	:	-1	-3	0	
	NL	8	0	-1	-3	-8	-2	6	12	17	23	22	23	25	25	28	22	23	30	
	P	:	:	:	:	:	:	:	-39	-27	-31	-32	-32	-31	-30	-27	-31	-30	-27	
	UK	-4	-16	-20	-17	-13	-12	-14	-12	-6	-6	-9	-7	-8	-3	-5	-5	-5	-7	
	EUR (c)	2	-4	-11	-17	-17	-16	-15	-11	-10	-10	-9	-9	-8	-7	-6	-7	-8	-8	
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	9	7	6	5	6	5	13	14	16	18	17	19	19	17	16	16	16	
	DK	9	4	4	4	8	8	11	10	10	11	10	10	9	:	11	14	12	12	
	D	22	21	16	12	11	11	12	17	17	14	17	16	17	17	20	19	19	18	
	GR	:	:	:	0	0	2	3	1	-2	3	0	3	4	4	4	5	5	2	
	E	:	:	:	:	:	:	:	5	5	7	7	8	7	7	8	8	6	5	
	F (d)	10	8	8	8	6	4	3	3	0	2	1	2	3	3	:	3	2	0	
	IRL	8	2	-4	-1	-1	-1	-1	-1	-1	-1	2	3	1	4	3	3	2	5	
	I	8	8	8	13	9	11	12	15	16	17	17	16	20	17	:	20	17	20	
	NL	22	19	18	17	15	13	16	19	19	19	21	19	21	21	22	21	20	21	
	P	:	:	:	:	:	:	:	2	8	5	8	6	8	7	7	9	8	6	
	UK	10	8	9	9	12	12	11	11	14	15	13	14	14	16	15	15	15	15	
	EUR (c)	15	12	11	10	9	9	9	11	11	11	12	12	13	13	13	14	13	12	

The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

If monthly data are not available, the EUR-averages incorporate the most recent available results.

Data of an experimental and provisional nature from June 1986 onwards; they do not involve the responsibility of the INSEE.

The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.

Quarterly data; percentage change on corresponding quarter of preceding year.

Quarterly data; monthly from May 1986 onwards.

Percentage changes on corresponding quarter resp. month of preceding year.

See table 3 for data and notes.

Seasonally adjusted.

EUR 10 up to May 1986; EUR 12 from June 1986 onwards.

Source: European Community consumer survey.

Institutes carrying out the surveys

Country	Survey: Manufacturing industry	Construction	Investment	Retail sale	Consumer
Belgium	BNB Banque Nationale de Belgique	BNB	BNB	BNB	DIMARSO Gallup Belgium
Denmark	DS Danmarks Statistik	DS	DS	—	DS
Federal Republic of Germany	IFO Institut für Wirtschafts-forschung	IFO	IFO	IFO	GfK Marktforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSSG National Statistical Service of Greece
Spain	MIE Ministerio de Industria y Energía	MIE	MIE	INTERGALLUP S.A. and INTERCAMPO S.A.	INTERGALLUP S.A. and INTERCAMPO S.A.
France	INSEE Institut National de la Statistique et des Études Économiques	INSEE	INSEE	INSEE	INSEE
Ireland	CII and ESRI Confederation of Irish Industries and Economic and Social Research Institute	CIF Construction Industry Federation	CII and ESRI	—	TEAGASC The Agricultural and Food Development Authority
Italy	ISCO Istituto per lo Studio della Congiuntura	ISCO	ISCO	ISCO	ISCO
Luxembourg	STATEC Service Central de la Statistique et des Études Économiques	STATEC	STATEC	—	—
Netherlands	CBS Centraal Bureau voor de Statistiek	EIB Economisch Instituut voor de Bouwnijverheid	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
Portugal	INE Instituto Nacional de Estatística	AECOPS Associação de Empresas de Construção e Obras Públicas do Sul	INE	—	NORMA
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

Questions of European Community business and consumer surveys

Manufacturing industry

Monthly:

- estimate of production trend in recent months: up, unchanged, down ?
- order-books: above normal, normal, below normal ?
- export order-books: above normal, normal, below normal ?
- stocks of finished products: above normal, normal, below normal ?
- production expectations in the months ahead: up, unchanged, down ?
- selling price expectations in the months ahead: up, unchanged, down ?

Quarterly (January, April, July and October):

- employment expectations for the months ahead: up, unchanged, down ?
- limits to production: none, insufficient demand, shortage of labour, lack of equipment, others ?
- production capacity: more than sufficient, sufficient, not sufficient ?
- duration of assured production: in months ?
- new orders in the recent past: up, unchanged, down ?
- export volume expectations for the months ahead: up, unchanged, down ?
- capacity utilization: in % ?
- stocks of raw material: high, normal, low ?

All industries

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for Denmark, Greece, France, Ireland and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down ?
- factors holding up production: none, lack of demand, bad weather, shortage of manpower, shortage of material and/or equipment, others ?
- order-books or production schedules: above normal, normal, below normal ?
- employment expectations in the months ahead: up, unchanged, down ?
- price expectations in the months ahead: up, unchanged, down ?

Quarterly (January, April, July and October)

- duration of assured production: in months ?

Retail trade sector

Monthly (France and Italy bi-monthly):

- we consider our present business (sales) position to be: good, satisfactory (normal for the season), bad;
- we consider our present stock to be: too small, adequate (normal for the season), too large;
- we expect that our orders placed on suppliers during the next (three) months, excluding purely seasonal variations, will be: up, unchanged, down;
- our business trend over the next six months, excluding purely seasonal variations, will improve, remain unchanged, deteriorate.

Quarterly:

- In the next three months, and compared with today, the number of persons we employ will: increase, remain unchanged, decline.

Consumer survey

Monthly:

- Financial situation of your household now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Financial situation of your household, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Price level now compared to 12 months ago: much higher, moderately higher, a little higher, about the same, lower, don't know.
- Price trend over the next 12 months: more rapid increase, same increase, slower increase, stability, slight decrease, don't know.
- Unemployment level in the country over the next 12 months will: increase sharply, increase slightly, remain the same, fall slightly, don't know.
- Major purchases (furniture, washing machine, TV, etc.) at present: yes, right time; neither right nor wrong time, should postpone; don't know.
- Major purchases next 12 months, compared to last 12 months: much more, a little more, the same, a little less, much less, don't know.
- Savings at present, a reasonable time to save: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Savings by you or your household over the next 12 months: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Financial situation of households at present — financial assets accumulation: borrowing, drawing on savings, just making ends meet, saving a little, saving a substantial amount, don't know.

Economic sentiment indicator

The economic sentiment indicator is a composite measure in which the industrial confidence indicator and the consumer confidence indicator are given equal weight, while the construction confidence indicator and the share-price index are attributed half the weight of each of the other two. The share-price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the value of shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

Industrial confidence indicator

The industrial confidence indicator is the arithmetic average of the answers (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

Construction confidence indicator

The construction confidence indicator is the arithmetic average of the answers (balances) to the questions on order-books and employment expectations.

Consumer confidence indicator

The consumer confidence indicator is the arithmetic average of the answers (balances) to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases. For a more detailed description of the consumer confidence indicator see technical note in the December 1982 issue of Supplement C.

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